

## **PART II**

### **GUIDANCE AND PROCEDURES**

#### **CHAPTER 1: NAVSEA MATERIAL MANAGEMENT AND INVENTORY CONTROL**

##### **1.1 MAJOR DEFENSE ACQUISITION AND AUTOMATED INFORMATION SYSTEM PROGRAMS**

The successful acquisition and deployment of a major weapons system is a complex process requiring the active participation of many components of the Department of Defense (DoD). This process is defined by the size and complexity of specific programs and is accomplished in specific phases preceded by mandatory decision milestones:

Milestone A

Phase I: Concept and Technology Development

Milestone B

Phase II: System Development and Demonstration

Milestone C

Phase III: Production and Deployment

These components of the acquisition system process, detailed in DoD Regulation Number 5000.2R and DoD Instruction 5000.2, are summarized below.

The acquisition process is structured in logical phases separated by major decision points called milestones. Each milestone must be approved by the Milestone Decision Authority (MDA). The MDA, is an individual authorized, in accordance with Under Secretary of Defense for Acquisition, Technology and Logistics - USD (AL&T) directive, to make that decision. A Mission Need Statement (MNS) is required to initiate the "Concept and Technology Development" phase for Acquisition Category (ACAT) I, 1A and II programs. ACAT 1 are Major Defense Acquisition Programs (MDAPs) expected to cost more than \$365 million for research and development or more than \$2.190 billion for procurement. All ACAT costs are measured in constant fiscal year 2000 dollars. ACAT 1A programs are Major Automated Information System (MAIS) programs expected to cost in excess of \$31.5 a year, exceed \$126 million in total procurements or exceed total life-cycle costs of \$378 million. ACAT II programs are similar to ACAT I programs but are major systems that are expected to cost no more than \$140 million for research and development or more than \$660 million for procurement.

Approval of the MNS, after any preliminary advanced technology demonstration (ATD), permits a favorable Milestone A decision that, in turn, leads to the start of Phase 1. Approval of the MNS is documented in a Defense Acquisition Executive (DAE) Acquisition Decision Memorandum (ADM), which also establishes goals for system cost, schedule, performance, and supportability at each acquisition milestone. During Phase 1 a Concept

Exploration takes place, typically consisting of parallel short-term concept studies. During a decision review, the most promising concepts are decided upon. Phase 1 ends when the selected concept demonstrates appropriate system architecture and component technology. Thereafter, approval of Milestone B by the MDA permits entry into Phase II.

Phase II, "System Development and Demonstration" entails refining more closely the concepts, design approaches and/or parallel technologies of the program. During this phase, demonstrations are performed and prototype breadboard systems constructed to validate proposed concepts. Normally, two or more industrial developers are involved and are given latitude in design subject to performance requirements defined by the military services. This phase usually ends with the MDA rendering a Milestone C decision to proceed to the next phase with a single contractor. However, this decision may be delayed until after the next phase has begun.

During Phase III, "Production and Development," the primary objectives are to translate the most promising design approach into stable, interoperable, producible, supportable and cost-effective plans while validating the production process. Low Rate Initial Production (LRIP) will then commence. After a positive Full Rate Decision Review by the MDA, the program will enter full rate production and deployment to the end user.

## **1.2 NAVY SUPPLY SYSTEM**

The Navy Supply System provides inventory management and physical distribution functions for the myriad supplies, spare/repair parts, equipment and end-items necessary to support production, deployment, and sustained maintenance of weapon systems and associated material. Inventory management includes systematized support decisions. Questions that must be answered include: what line items should the Navy stock and how many of each are needed? Should those items be acquired from private vendors or by internal manufacture? Where should they be stored so that they will be closest to their likely users? How can material be tracked from the time it is ordered until it is ultimately issued? Within the Navy, inventory management of supply stock material is mainly done at the Naval Inventory Control Points (NAVICP), Mechanicsburg and Philadelphia. The Defense Logistics Agency (DLA), through its various supply centers, also performs ICP functions for service wide common hardware and consumables. Physical distribution of material, on the other hand, pertains to the actual control of material after it has been conveyed to the supply activity by the vendor or internally manufactured. This includes physically receiving the material and verifying acceptability, storing and protecting the material until it is needed, issuing the material to customers, physically transporting material to customers, and keeping track of material throughout these processes. These actions are performed in the Navy by Fleet and Industrial Supply Centers (FISCs), and the supply departments of some other activities. DLA utilizes distribution depots to perform similar functions for the material it manages.

## **1.3 NAVY SUPPLY MANAGEMENT**

### 1.3.1 General

Supply Management is that segment of military logistics through which direction and control of all phases of supply operations are exercised. The phases of supply operations are as follows:

- a. Supply Support Planning and Integration
- b. Requirements Determination
- c. Supply Programming and Budgeting
- d. Item Establishment
- e. Computation of Inventory Levels
- f. Acquisition
- g. Asset Allocation
- h. Material Receipt
- i. Storage and Warehousing
- j. Customer Support
- k. Transportation
- l. Disposal

### 1.3.2 Organization

To accomplish these functions, Navy Supply System management responsibilities have been assigned as follows:

a. The Assistant Secretary of the Navy (Shipbuilding and Logistics) is responsible for Navy-wide policy supervision of all matters related to production, procurement, supply, distribution, and disposal of material all transportation matters.

b. The Chief of Naval Operations (CNO) is responsible for planning for and determining the material support needs of the operating forces of the Navy (less Fleet Marine Forces and other assigned Marine Corps Forces) including equipment, weapons or weapon systems, materials, supplies, facilities, maintenance, and support services.

c. The Commander, Naval Supply Systems Command (COMNAVSUP) is responsible to the CNO for providing material support to the operating forces of the Navy and to the Commandant of the Marine Corps for providing certain material support to the Marine Corps.

d. COMNAVSUP subordinate organizational components include:

(1) Headquarters, Naval Supply Systems Command (NAVSUP), which is responsible for providing staff support to COMNAVSUP in the development, promulgation and administration of Navy supply policies and procedures.

(2) Program Support Activities, that are responsible for the effectiveness of assigned supply programs. Such program support assignments may be by

weapons system or equipment (i.e., NSSN submarine, F-18 E/F aircraft, DD21 class ship) or by commodity (i.e., petroleum, oil and lubricants, food and clothing).

(3) Inventory Managers, who are responsible for the management and distribution of assigned items of supply.

(4) Navy Contracting Activities, that are responsible for the acquisition of authorized items of supply and services.

(5) Stocking activities, ashore and afloat, that are responsible for the receipt, care, and issue of Navy material and for the exercise of assigned retail inventory management responsibilities.

(6) Contract Administration Managers, such as Defense Plant Representative Offices, who administer or manage production contracts.

(7) Transportation managers, who oversee or provide for movement of equipment and parts between the supply source and the user.

(8) Supply central design agencies that design and develop automated systems to accomplish supply processes and procedures.

(9) Logistics/supply segments of a Type Commander(TYCOM) or a Hardware Systems Commander (HSC), when setting policy on supply issues and programs within their subordinate activities.

## **1.4 NAVY INVENTORY MANAGERS (IMs)**

### **1.4.1 General**

Navy IMs are those elements and individuals with primary responsibility for management of assigned groups or classes of items of supply. Material cognizance is the phrase denoting organizational responsibility for exercising supply management over assigned items. From the time initial determination of material cognizance is made, the characteristics of the item, its parent equipment, and the environment of operations are continually reviewed to insure all items are managed at the most logical and appropriate level. Navy policy requires that there be only one Navy IM for each item of supply, and that, wherever practical, management responsibility be delegated to NAVSUP as described above. Navy IM functions are therefore conducted by NAVSUP's principal subordinate, NAVICP, for the majority of systems, repair parts, and related data in operational use by the Fleet, shore bases, and other authorized customers.

### **1.4.2 NAVSEA Program Support**

Some Navy hardware commands, however, (e.g., NAVSEA) have been tasked with Fleet-wide program support of particular weapon systems/major end items (i.e. 2F, 2J, 2S cognizance material). Material designated for NAVSEA program support (normally under the control of designated Program Managers (PMs), Life Cycle Managers, and Program Executive Officers) is limited to the following categories:

- a. Items in a research and development state.
- b. Items requiring engineering control decisions. This criterion is applicable when a high degree of engineering judgment is required for making determinations concerning design or relationships to a system. It pertains principally to those items requiring engineering decisions during production or prior to issue.
- c. Items that are substitutable and interchangeable. These are items which meet the criteria for transfer to NAVICP management, but which may be substituted for or interchanged with other items that do not meet the criteria for NAVICP management. They may be retained as part of a family group for the purpose of consolidated management.
- d. Items unstable in design. Such items have been determined by an engineering decision to be highly subject to either design change, or replacement through modification of the next higher assembly.
- e. Specific PM and contractor managed items. These items are required by designated PMs and contractors to maintain configuration control during system programming, procurement, production, and operations. Items in this category will be held to a minimum and, when identified, will be controlled for only as long as absolutely necessary.
- f. Other items expressly assigned to NAVSEA program support. This includes specifically designated principal items, Depot Level Repairables (DLRs), and associated auxiliary equipment. Inclusion in this category is a matter for SECNAV decision, based on justification provided by the originator(s).

Many of the 2F, 2J and 2S cognizance (COG) stock numbered items managed by NAVSEA are assigned a Special Material Identification Code (SMIC) for identification purposes. Those SMICs and their associated COGs include:

- a. A2 – Auxiliary – 2S COG
- b. A3 – Auxiliary, Advanced Equipment Repair Program (AERP) – 2S COG
- c. A4 – ASH and Undersea Warfare Systems – 2J COG
- d. A5 – Surface Warfare Systems – 2J COG
- e. B1 – Boats and Landing Craft – 2S COG
- f. C3 – Combat Direction – 2F COG

- g. E2 – Electrical – 2S COG
- h. E3 – Electrical AERP – 2S COG
- i. FK – Field Change Kits
- j. H2 – Hull – 2S COG
- k. H3 – Hull (AERP) – 2S COG
- l. N1 – Navigation – 2F COG
- m. P1 – Periscopes – 2F COG
- n. P2 – Propulsion – 2S COG
- o. P3 – Propulsion AERP – 2S COG
- p. Q1 – Sonar Pool – 2F COG
- q. Q4 – Sonar Equipment Managed by PMS 409 – 2F COG
- r. R1 – Radar – 2F COG
- s. RS – RADIAC Equipment Managed by SEA 04LR2 – 2S COG
- t. X1 – Nuclear Power – 2S COG

#### **1.4.3 Inventory Managers for NAVSEA Material**

Historically, NAVSEA has been given responsibility for inventory management of a limited number of items associated with program support. Local acquisition and control of those items, by in-house IMs, was deemed essential to accomplishment of the support mission. However, an August 1995 Memorandum of Agreement transferred inventory management functions for NAVSEA 2F, 2J and 2S COG material from NAVSEA IMs to NAVICP. “X1” SMIC items managed by NAVSEA 08; RADIAC items managed by SEA 04LR2; propulsion items managed by SEA 03F3; and small boats managed by SEA PMS-325 (now Commander, Naval Surface Warfare Center Det Norfolk, Carderock Division, Combatant Craft Department (CCD), Code 23, Suffolk, VA) were specifically excluded. While that agreement related to the transfer of the inventory management function, NAVSEA retained all other responsibility for procurement, refit and restoration, and budgetary functions including budget formulation, preparation, submission and justification through the budget cycle. A list of NAVSEA items with IM codes and associated equipment Local Routing Codes (LRCs) and SMICs is provided in Figure 1.

## INVENTORY MANAGERS FOR NAVSEA MATERIAL

LOCAL ROUTING CODE (LRC)	ITEM MANAGER	ORGANIZATION CODE	PHONE	SMIC
KBA/KBB/KBC KBD/KBE/KBF KBG/KBH/KBJ K BK/KBL/KBM KBN/KBP/KBQ KBR/KBS/KBT KBU/KBV/KBW KBX/KSJ KCA/KCB/KCD KCF/KCG/ KCV	E. STOVER	NICP 05824	DSN 430-2479	A4/A5/FK/R2/Q1/N1
KCJ/KCK KCR	K. KUNKEL	NICP 05824	DSN 430-4773 FAX 717-790-1893	C3/R1
KCL/KCP	P. LOMBARD	NICP 05824	DSN 430-3854	Q1
KCC/KCE/KCH KCM/KCN/KCS/KCT KCU/KCW	R. HOOK	NICP 05824	DSN 430-2224	Q1
KHC/KHE/KJT KHD/KHJ/KHG/KHK	G. CLIPPINGER	NICP 05824	DSN 430-6731	P1/P2/FK
KFR/KFT/KFU KJB/KJC/KJF KLC/KLD/KLE KHN/KJJ/KJD KJH/KJL/KJM/KJP	K. BEER	NICP 05824	DSN 430-2215	A2/H2/H3/E2/FK
KHH	E. SYVERTON	NICP 05824	DSN 430-5872	P2/H2/E3/FK
KHB/KJE/KJK/KJN	D.LIPPERT	NICP 05824	DSN 430-2219	A2/H2/P2/FK
WT3	B.WOOD	NICP 8423H	DSN 430-7236	P2/P3
WT7	B.SAULSBURY	NICP 8423G	DSN 430-2102	P2/P3/SS
WR1	P. PECHART	NICP 8423F	DSN 430-7237	P3
WR2	T. BUSLER	NICP 8423C	DSN 430-6047	P2/P3
WR4	K. RAUBENSTEIN	NICP 8423E	DSN 430-2391	P2/P3
WR5	J. DRESSLER	NICP 8423D	DSN 430-7532	P2/P3
KJ4	J. COUGHLIN	PMS 308	703-602-8401 X304	B1
KNA	F. JESSUP	SEA 08H	703-602-3480	X1
KUZ	J. KULEZ	SEA 92LAA	703-602-0092 X448	Q4
KZA/KZB	L. PENDLETON	SEA 04LR2	703-602-2753	RS

Figure 1

#### 1.4.4 Responsibilities

IMs for NAVSEA material, whether physically working at NAVICP Mechanicsburg, at NAVSEA Headquarters or at another location, are responsible for performing a variety of specific actions within the Supply Management arena. Their overall function is to obtain and distribute material in a manner that provides efficient support to Fleet and shore activities and other authorized customers. Additional responsibilities are as follows:

a. Maintain technical knowledge and associated data (as applicable) regarding equipment characteristics and applications. In order to provide comprehensive material support, the IM must maintain detailed knowledge of assigned equipment characteristics, including composition (component/parts breakdown), function, relation to next higher assemblies, Navy-wide applications, physical characteristics (size, weight, etc.) and any associated physical, functional or environmental constraints inherent to transportation and storage. Such expertise, in addition to close interaction with the Program Manager/PEO/Life Cycle Manager's Offices and the applicable In Service Engineering Activity (ISEA), is essential if IMs are to respond in an effective and timely manner to the diversity of material management requirements.

b. Monitor the range and depth of cognizant items at designated stock points (principally NAVSEA's Consolidated Stock Points (CSPs) at Cheatham Annex in Williamsburg, VA and Barstow, CA) and control the distribution of equipment by validating, processing, and recording all material movements including receipt, issue, redistribution and disposal.

c. Working closely with the appropriate Program Office, plan, budget for and execute the equipment procurements and repairable asset inductions necessary to maintain established stock levels. While IMs for 2S COG items now submit an Other Procurement, Navy (OPN) budget submission to NAVSEA 05 to secure funding, IMs for 2F and 2J COG items still submit budget inputs to their respective Program Office. In determining funding requirements, an IM must project the number of assets required during a specified period, recommend how (procure vs. repair) to best satisfy this need, and then define the number to be bought or scheduled for repair to ensure requisite levels will be available. After funding levels have been established by the appropriate OPNAV sponsors (in response to budget inputs from SEA 05 or the particular Program Office), the IM works to ensure the initiation of contracts/job orders with manufacturing or refit activities, monitors progress and establishes material delivery locations and time frames. The NAVICP will place procurement contracts and inductions for organic/commercial repair 2S COG material. NAVSEA will effect contracts and execute repair inductions for 2F and 2J COG items.

d. IMs of NAVSEA material, regardless of physical location, are responsible to NAVSEA 04L for carrying out all inventory management functions. All significant decisions and correspondence related to NAVSEA material must have NAVSEA 04L policy concurrence.



### 1.4.5 Organizational Structure

To accomplish stated objectives, IMs of NAVSEA material must coordinate with personnel both internal and external to their activities. Primary elements of this organizational structure include:

a. Equipment Engineers/Technical Managers: NAVSEA engineers maintain technical cognizance and authority for engineering decisions throughout system acquisition and operation. Engineers may reside in Program Offices for material in development or early life cycle phases, with responsibility transferring to ISEAs or other designated technical codes as the operational phase progresses.

b. Program Office Support Elements: IMs for 2F and 2J COG items provide procurement and budget inputs to their respective NAVSEA Program Offices. The procurement data provided includes forecasted quantity requirements, proposed schedules, delivery destinations, etc., which is then used by the Program Office to develop specific requirements for procurement by the NAVSEA Contracts Directorate. The Contracting Directorate at NAVICP, on the other hand, purchases 2S COG material based on requirements input directly from the 2S COG IM. In a like manner, 2F and 2J COG IM inputs are provided to the NAVSEA Program Offices for use in developing formal funding requests to be submitted to higher authority whereas IMs for 2S COG items prepare an OPN budget for submission directly to NAVICP.

c. NAVSEA Material Representatives (MATREPs): MATREPs are the IM points of contact at Consolidated Stock Points for NAVSEA material. Detailed information on MATREP functions is provided in the next section.

d. Assistant Deputy Commander for Fleet Logistics Support - Material Management Division (NAVSEA 04L): NAVSEA 04L is point of contact for a range of programs/functions directly impacting IM responsibilities. Specific details will be provided in appropriate sections of this text.

## 1.5 CONSOLIDATED STOCK POINT (CSP) PROGRAM

### 1.5.1 General

Stock Points for NAVSEA material are facilities, both in the continental U.S. and overseas, responsible for receiving, storing and issuing 2F, 2J and 2S items, maintaining physical and financial accountability for them, and recording and reporting corresponding asset status to the appropriate IMs. Figure 2 identifies stock points used for NAVSEA material.

**LIST OF STOCK POINTS FOR NAVSEA MATERIAL**

Activity	COG/SMIC									
	2F	2F C3	2F N1	2F P1	2F Q1	2F R1	2J A4	2J A5	2S	2S A3 E3 H3 P3
FISC Norfolk /Cheatham Annex VA	X	X	X	X	X	X		X	X	X
DDBC Barstow CA	X	X			X	X			X	
NATSC Little Creek VA					X					
FISC Pearl Harbor HI	X			X	X	X		X	X	
FISC Puget Sound WA	X	X		X	X			X	X	
FISC Yokosuka JA				X	X	X		X	X	
NSY Pearl Harbor HI					X					
NSY Portsmouth NH	X			X	X				X	X
NSWCDIV Indian Head MD								X		
SUBASE New London CT				X					X	
SUBASE Pearl Harbor HI				X						
NSWCDIV Keyport WA							X	X		
NSWCDIV Dahlgren VA								X		
NSWCDIV Crane IN		X				X	X	X		
NAS Sigonella IT									X	
NAVICP Mechanicsburg PA										X
TRF Bangor WA				X					X	
TRF Kings Bay GA				X					X	

Figure 2

NAVSEA has implemented several actions to assist the stocking activity and the IMs:

- a. Established NAVSEA CSPs at the Fleet and Industrial Supply Center (FISC) Norfolk's Cheatham Annex location in Williamsburg, VA and at the Defense Distribution Depot Barstow, CA for storage of 2F, 2J and 2S cognizance items. Note that 2F COG SMIC S2 material, consisting of the unique sonar items AN/BQR-15, 19, 21 and T4, is an exception and is normally stored at NSWC Crane, IN.
- b. Positioned NAVSEA MATREPs at both CSP sites.
- c. Implemented the NAVSEA Inventory Audit and Assistance Program (NIAAP). See the definition below.

### 1.5.2 Definitions

- a. Consolidated Stock Point. The designated reporting stock point where all 2F, 2J and 2S cognizance material is stocked unless prepositioned specifically at other locations.
- b. Equipment Specialist. The individual at the CSP location or the Designated Overhaul Point (DOP) tasked with NAVSEA 2 COG material identification, technical screening, repairables consolidation, and cannibalization assistance.
- c. Host Activity. The command or stocking activity where the NAVSEA CSP or the special storage program is located.
- d. Intra-Service Support Agreement (ISSA). An administrative tool to standardize all host-tenant agreements.
- e. Inventory Manager. The organizational unit or activity within the Department of Defense (DoD) that is assigned primary responsibility for supply management of a group of items (by COG symbol) for a particular service or for DoD as a whole. See para. 1.4.1.
- f. NAVSEA Inventory Audit and Assistance Program (NIAAP). The program implemented by NAVSEA to technically identify and screen NAVSEA cognizance material.
- g. NAVSEA Material Representative (MATREP). The designated NAVSEA representative, located at each CSP, tasked to assist the stocking (host) activity in technical identification, warehousing, transportation, inventory control, and handling of NAVSEA material via stocking, repair, cannibalization, and disposal programs.

h. Tenant. A NAVSEA activity using the space and resources of the host activity (i.e. the CSP). The ISSA negotiator for all NAVSEA requirements is NAVSEA 04L.

### 1.5.3 Policy

a. NAVSEA CSPs for 2F, 2J and 2S COG items will be established and maintained on the East and West Coasts near major DOPs for NAVSEA repairables.

b. NAVSEA systems and equipment designated as insurance items or construction spares, both ready for issue and not ready for issue, will be stored at the CSPs to ensure control and visibility.

c. Storage sites, other than the CSPs, must be justified by operational necessity or economic benefit. For example, equipment to support a ship's overhaul may be located at the shipyard performing the work. Similarly, equipment requiring special repair facilities, such as propellers, may be stored near the DOP in quantities necessary to preclude work stoppage. In addition, the TYCOM may request that NAVSEA preposition assets at locations near home ported or deployed ships. These exceptions must be fully justified by operational necessity or through economic benefit of the separate storage. The value of the CSP Program rests in the centralized control and care of NAVSEA equipment.

d. Each CSP will be supported with personnel, equipment and warehousing services through the host/stocking activity and on a reimbursable basis via ISSA for functions over and above the host activity's mission or charter.

e. NAVSEA MATREP personnel will be on location at the CSP to assist the host/stocking activity, the NAVSEA systems or equipment program managers and the IMs of NAVSEA material.

### 1.5.4 NAVSEA 04L Responsibilities

NAVSEA 04L will:

a. Identify workload and storage requirements for the CSP.

b. Negotiate any major changes to NAVSEA material program and storage space requirements with NAVSUP, the Defense Logistics Agency (DLA) and the host activity prior to implementation at the CSP.

c. Negotiate ISSAs annually or as needed with each host activity to adjust requirements and reimbursable costs.

d. Keep the MATREPs informed on all matters relative to the CSP.

e. Conduct Program Reviews of material at CSPs as required.

### **1.5.5 NAVSEA Program/Life Cycle Manager Responsibilities**

NAVSEA Program/Life Cycle Managers will:

- a. Ensure that all applicable 2 COG systems and equipment are forwarded to the proper CSP for identification in the supply system.
- b. Review and identify obsolete or excess systems and equipment to preclude ineffective space utilization. Where applicable, coordinate with the appropriate IM and MATREP to process these items for disposal.
- c. Keep the MATREPs informed on all matters relative to their equipment by email, fax, direct telephone conversations, messages, memoranda, etc.
- d. Ensure copies of procurement and repair contracts are provided to the IM, the CSP, and on-site MATREP.

### **1.5.6 NAVSEA MATREPs Responsibilities**

NAVSEA MATREPs will:

- a. Serve as the point of contact for all field stocking activities regarding storage and inventory policy pertaining to designated NAVSEA 2 COG systems and equipment.
- b. Manage the daily operations of their assigned CSP.
- c. Visit shore activities (i.e. ISEAs, weapon stations) as necessary to assist in proper handling and maintenance of NAVSEA material.
- d. Assist in organizing and executing physical inventory audit plans, including the NIAAP, at other stocking/host activities.
- e. As assigned by NAVSEA 04L, monitor special storage sites established under paragraph 1.5.3.c. above.
- f. Keep the Commanding Officer/Officer in Charge at the CSP host site informed as to NAVSEA requirements, technical, and warehousing or management problems.
- g. Prepare budget requirements for the CSP operation.
- h. Assist in Program Reviews as directed by NAVSEA 04L.

- i. Provide planning data to NAVSEA 04L for any changes to CSP storage requirements.
- j. Provide technical direction to the personnel responsible for screening NAVSEA material.
- k. Ensure all personnel requesting access to inspect material obtain authority from NAVSEA and provide them technical direction as necessary.
- l. Support NAVSEA system and equipment program managers and IMs of NAVSEA material in warehousing, stocking, issuing, cannibalization and repairable programs to include confirmation of issues and receipts via Transaction Item Reporting (TIR).

#### **1.5.7 Host/Stocking Activity Responsibilities**

The host/stocking activity will:

- a. Support all NAVSEA CSP material management requirements within existing NAVSEA, NAVSUP or DLA directives.
- b. Ensure that the CSP is supported and NAVSEA material processed in accordance with the applicable ISSA.
- c. Transmit TIRs to the NAVICP to reflect issues, receipts and equipment condition code changes.
- d. Assign equipment specialist to perform the following functions:
  - (1) Assist the MATREP in identifying and preparing reports on missing parts, components or subassemblies.
  - (2) Assist the MATREP in screening new receipts, issuing correct material and providing receipt documents to the host activity for TIR reporting.
  - (3) Assist the MATREP in receiving MILSTRIP referral documentation, generating issue documents with correct data, to include serial numbers, and turning over the material and issue document to the host activity for shipment and TIR reporting.
  - (4) Participate in sight validation of equipment at the CSP or other stocking activities during physical inventory audits, including the NIAAP, and during the issue of serial number controlled items.
  - (5) Assist the MATREP in determining which equipment should be cannibalized or provided to repair shops and, under the MATREP's direction, perform

authorized cannibalization actions that are within the capability of technical knowledge and available hand tools.

## **1.6 NAVY DISTRIBUTION SYSTEM**

### **1.6.1 General**

The term Distribution System describes the interaction between IMs and Stocking Activities to provide material to the Fleet and shore customers. Most IMs at NAVICP and DLA Supply Centers operate within a "decentralized" distribution system. Its tenets are:

- a. IM predicts geographic demand patterns.
- b. IM pushes stock to the area stock points, in anticipation of demands.
- c. Subsequently, those stock points receive requisitions from end users (i.e., "pull") and they have the authority to make issues. Thereafter, the issue is transaction reported to the IM.
- d. The IM then predicts new demands, from the recorded demand data, and the cycle repeats itself.

NAVICP uses such a system for most of its items that are procured for stock utilizing the Navy Working Capital Fund (NWCF). This is principally due to the fact that, as these items are generally low in complexity and value but high in demand frequency, there is no need for the IM to evaluate each request. Also, because these items are stocked in the Supply System utilizing a revolving fund, the customer must replenish the fund by paying for them through obligation of his operating funds – a self policing mechanism. The role of an IM for NAVICP material is therefore composed primarily of functions (i.e., material positioning and files maintenance) rather than evaluating and validating requisition data.

Conversely, IMs for NAVSEA material use a "centralized" system for material distribution. A centralized system is characterized by the following principles:

- a. The IM will direct material to stock points nearest the customers he expects to support.

- b. The IM also utilizes an Issue Restriction Code of AF that requires all requisitions go directly to the IM or be passed to the IM by the requisition point-of-entry distribution system.

- c. The IM makes the decision to issue the item and then refers the requisition to whichever stock point is designated to satisfy the requirement. The Weapons System File (WSF) computer records the demand concurrent with the requisition referral.

- d. The stock point issues the material and, by TIR, updates the WSF and the IM's records.



NAVSEA material is subject to such procedures for a number of reasons. Because of their complexity and value, and the varying demand pattern they experience, it is essential that requisitions for them undergo IM review to determine the appropriateness of each transaction. Moreover, they are Appropriation Purchases Account (APA) items and therefore free-issue to the customer thus removing the customer's budgetary necessity for self-restraint. The amount of effort expended during the budget process by IMs and other personnel to obtain funds for APA material mandates IM scrutiny of all requests to ensure requirement validity.

### **1.6.2 Decentralized Distribution System Operation**

Figure 3 depicts operation of a decentralized system, with NAVICP representing the principal inventory management activity. A simplified description of this process follows.

When the customer (i.e., ship, air squadron, shore station) submits its requisition the Defense Automated Addressing System (DAAS) routes it (step 1) via NAVSUP's Central Point of Entry (CPEN) system through several programs designed to take advantage of government owned material available outside the supply system. Those programs include: Residual Asset Manager (RAM) which is an umbrella program covering several distinct inventories of material; Real-time Outfitting Management Information System Visibility (ROMISVIS) which accesses excess outfitting material; and NAVSUP's Joint Computer Aided Logistics Support System (JCALS) access to Sponsor Owned Material (SOM) which is primarily NAVSEA programmatic material. The requisition is either issued at this point (step 2) or passed to NAVICP (step 3) for completion. Customer's turn-ins of not-ready-for-issue (NRFI) repairable carcasses (step 4) to the local supply activity (i.e. a Fleet Industrial Supply Center) are reported to the ICP via a TIR (step 5). When NAVICP receives a requisition, it attempts to find a means of filling the request from wholesale assets at a stock point or from a cyclic reporting activity (step 6), from material expected to be received soon via buys or repairs, or through initiating a new buy or repair to meet that demand (step 7). Such new buys or repair actions are called spot procurements or spot repairs. When the NAVICP IMs determine that it is time to order more material for wholesale system stock, an order on an existing order agreement or a new contract is awarded (step 8), and the buy quantity is allocated to appropriate stock points. When it is determined that the repair of NRFI material is required, the ICP directs the activity holding NRFI items (which may also be the depot for repair) to ship the carcasses to the repair activity (step 9) and issues a repair order, a contract, or a project order to the repair activity (step 10). Upon receipt of the contracted material from the manufacturer (step 11) or RFI material from the repair activity (step 12), the stock point sends a TIR with the receipt information to the ICP (step 13).

# DECENTRALIZED DISTRIBUTION SYSTEM

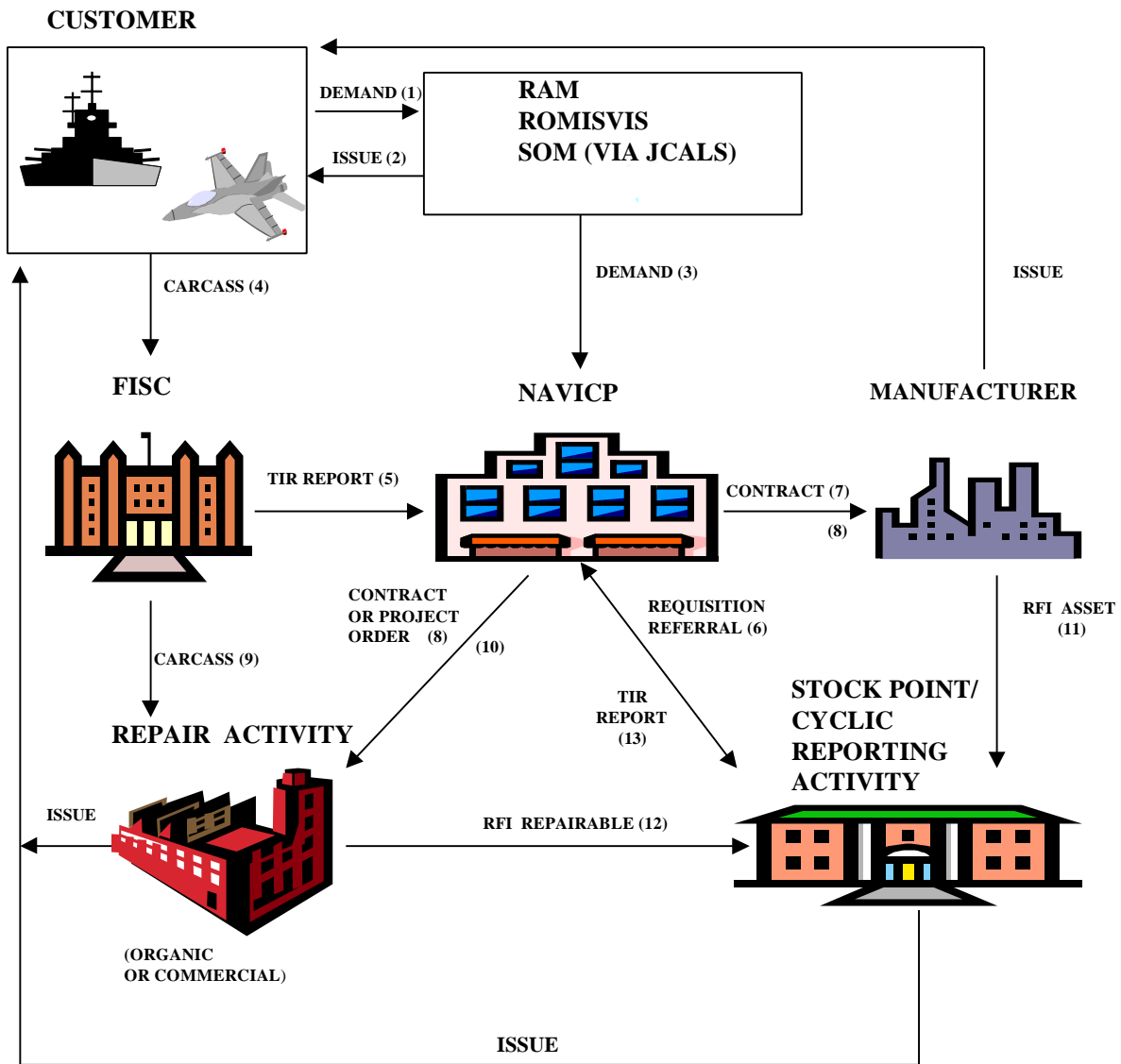


Figure 3

### 1.6.3 Centralized Distribution System Operation

Figure 4 depicts operation of a centralized distribution system. The customer (in this case a ship in overhaul) submits its requisition through DAAS via RAM, ROMISVIS and JCALS (step 1). If available, the item is issued (step2). If not, the requisition is forwarded directly to the NAVSEA IM (step3).

The IM reviews and validates the request and then refers it to the appropriate CSP or other storage site (step 4) (which may also be the shipyard) for issue and installation (step 5). The stock point reports both the issue of the material and turn-in of the repairable carcass (step 6), to the IM in a TIR (step 7).

As in the previous example, when IMs determine the need to order more material for wholesale system stock, an order on an existing order agreement or a new contract is awarded (step 8), and the buy quantity is allocated to appropriate stock points. When it is determined that the repair of NRFI material is required, the IM may direct the activity designated to receive NRFI items (step 9), which may or may not be the repair depot, to ship the carcasses to the repair activity (step 10). The IM or Program Office then issues a repair order or a project order to the designated repair activity (step 11). Upon receipt of the contracted material from the manufacturer (step 12) or RFI material from the repair activity (step 13), the stock point sends a TIR with the receipt information to the IM (step 14).

# CENTRALIZED DISTRIBUTION SYSTEM

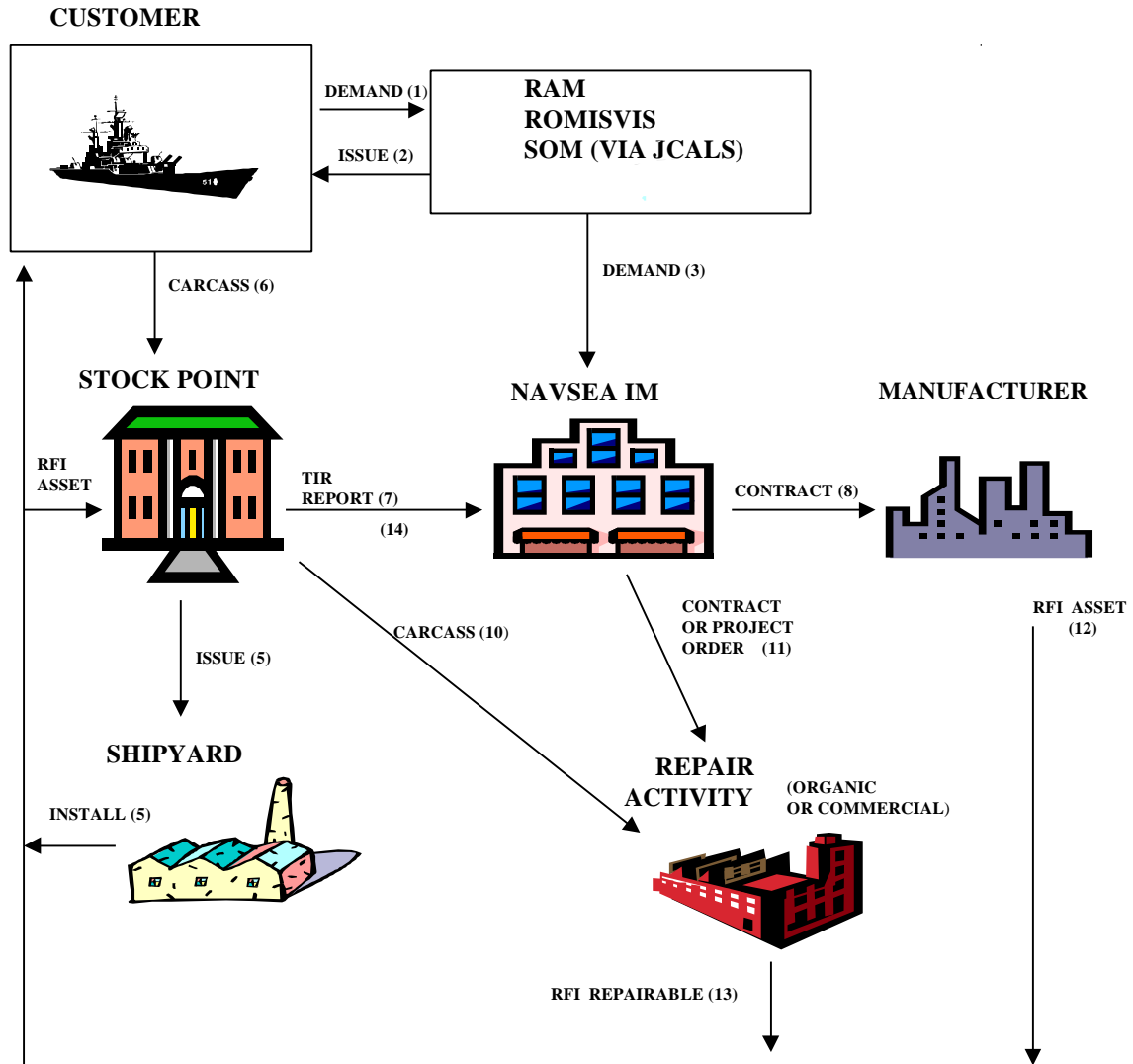


Figure 4

## **1.7 MATERIAL TRANSPORTATION PROGRAM**

This section applies to headquarters elements and shore activities generating shipments of NAVSEA material. The guidance contained herein is applicable to the transportation and financial management of NAVSEA material movements within the Defense Transportation System. Transportation is an essential and integral part of logistics. It is that vital link of the Navy's distribution system that controls the movement of NAVSEA material between the supply source and the ultimate user.

IMs for 2F and 2J COG items, since those items are procured under contracts let by NAVSEA, will coordinate with their Program Offices and/or the NAVSEA Transportation Manager in making special arrangements for material transportation – particularly as it applies to shipments from contractor sites. However, since NAVICP normally places contracts for 2S COG material, special transportation arrangements for those items are customarily made by the 2S COG IM in coordination with the NAVICP contracting office and with much less involvement by NAVSEA components. Nevertheless, the principals involved apply equally to IMs at both locations. This section does not apply to material that is under the management cognizance of the Deputy Commander for Nuclear Propulsion (SEA 08).

### **1.7.1 General**

Transportation budgets are generally formulated to cover several distinct cost categories. Those costs arise from the following actions: (1) responses to requisitions for material for use by a ship or shore activity, (2) production contracts requiring movement of material to an installation, activity, or storage point, and (3) the need to induct material into an overhaul, repair, rehabilitation, or disposal cycle.

Unbudgeted costs may arise as a result of unnecessary or unplanned movement of material. The higher costs often associated with the use of premium transportation can often be avoided by allowing sufficient transport time to permit selection of a less costly mode. Avoiding premium transportation costs is frequently dependent upon the expertise of transportation personnel. As fuel and transportation costs rise, it is imperative that a vigorous program be in place to maximize use of the least expensive carriers.

Shipping instructions originated by IMs and Program Offices have, in the past, contained instructions such as "ship via commercial air," "ship via special airlift," "ship via dedicated truck," or other similar provisions. The cognizant transportation officer who receives such instructions is confronted with conflicting requirements. First, the mode of shipment has been designated by the requesting activity. Second, regulations require selection of the mode of transportation that will respond to the requirement at the lowest possible cost. Third, incurring excessive transportation costs often provokes review by higher authority; specifically, a post-shipment audit which may be conducted by the Military Traffic Management Command (MTMC), the Navy Transportation Support Center (NAVTRANS) and/or the General Accounting Office (GAO).

Although cost is a major factor in the selection of a mode of transportation, it is not necessarily the overriding factor. The method of transportation employed will depend upon the priority designator and the required delivery date, and will normally employ the most economical mode consistent with urgency of need. Abuses of the Uniform Material Movement and Issue Priority System (UMMIPS) generally occur when improper priority designators and required delivery dates are utilized for the sole purpose of speeding up material delivery, rather than on the basis of bona fide mission impairment.

### 1.7.2 Policy

The Federal Acquisition Regulations (FAR) and the Defense Federal Acquisition Regulations Supplement (DFARS) establish uniform policies and procedures relating to the acquisition of supplies and services on behalf of the Department of Defense. Specifically, the FAR Part 47, "Transportation" and the DFARS Subchapter G, "Contract Management" Part 242, "Contract Administration" Subpart 242.14, "Traffic and Transportation Management" and Part 247 "Transportation" pertain to transportation matters. DoD Regulation 4500.32-R [Military Standard Transportation and Movement Procedures (MILSTAMP)] provides policy and procedures required to manage and control the movement of material through the Defense Transportation System. OPNAVINST 4600.24C [Responsibilities for Management of Navy Transportation] provides policy, assigns responsibility, and delineates procedures for conducting the transportation program within the Navy.

Since transportation costs are based on many individual decisions, each person obligating transportation funds must be vigilant to ensure that those decisions are cost-effective. Consequently, all movements of material must be considered in light of their financial impact.

The value of the material in its existing condition will not, by itself, be sufficient to warrant the transportation cost but may be a determining factor. Movement of material will be limited to that quantity which is required at the destination unless other considerations govern. For example, when the need exists to ship larger-than-required quantities, such as during a shore establishment realignment or for system back up, the shipping activity's transportation records must document justification for the movement.

Cannibalization will be performed at point of origin, wherever possible, to eliminate the shipping cost of the retrograde carcass. Where practicable, inductions for repair or rework will be planned with adequate lead-time to permit utilization of the least costly mode of transportation. Redistribution of system stocks should be minimized with attrition used as the principal method of clearing critical storage locations.

Use of air transportation will be limited to those instances where no other mode will meet the operational requirement. Requests for air shipment must be submitted with complete and detailed justification to the cognizant transportation officer.

### **1.7.3 Responsibilities**

a. The Deputy Commander for Logistics, Maintenance and Industrial Operations (NAVSEA 04) is assigned Command responsibility for matters involving transportability, traffic management, and transportation safety. Execution of this responsibility is delegated to the Assistant Deputy Commander for Fleet Logistics Support (NAVSEA 04L).

b. Points of contact for the Material Transportation Program within NAVSEA 04L are the Fleet Support Division (SEA 04L1), the Material Support Program Branch (SEA 04L12) and the Transportation Manager (SEA 04L122). SEA 04L12 and 04L122 perform the following services, as required:

(1) Provide transportation assistance and guidance to NAVSEA headquarters elements such as Financial, Project, Planning, Acquisition, and Inventory Managers.

(2) Provide technical assistance to NAVSEA headquarters elements and shore activities involved in the movement of material including activities involved in the movement of hazardous material.

(3) Conduct special transportation studies and analyses in support of NAVSEA responsibilities in the management of material transportation.

(4) Initiate recommendations for, coordinate the development of, and review the instructions or procedures originating within NAVSEA, when such instructions or procedures significantly effect or influence transportation.

(5) Conduct reviews and analyses of NAVSEA distribution patterns to assure that consideration is given to appropriate transportation factors in order that transportation cost control is realized without impairing operational requirements.

(6) Evaluate the effectiveness of existing NAVSEA procedures in acquisition and inventory control and recommend corrective action that may reduce transportation costs.

(7) Collect, review, analyze, and monitor total NAVSEA transportation program requirements (land, sea, and air) for the purpose of correlating data in conjunction with approved transportation policy.

(8) Consult with or provide assistance to NAVSEA personnel on transportation matters involving costs, operations, terms, rules and regulations, delivery transit time, and other transportation matters.

### **1.7.4 Procedures**

The following sections establish specific requisites for headquarters staff coordination with the NAVSEA Material Transportation Manager (SEA 04L122). They also provides guidance in the selection of FAR and DFARS transportation clauses to be included in NAVSEA solicitations and contracts and provides procedures on volume movement requests and air transportation requests. A discussion regarding the assignment of Transportation Account Codes (TACs) to first destination, second destination, foreign military sales, and grant aid shipments follows.

#### **1.7.5 Coordination of Transportation Requirements for NAVSEA Headquarters**

a. Procurement Requests (PRs): The originator may, during the PR's preparation and prior to its release to NAVSEA 02 for contract placement, contact SEA 04L12 for assistance whenever one or more of the following conditions exists:

(1) Total value of the procurement is expected to exceed \$500K.

(2) A single unit weighs in excess of 10,000 lbs.

(3) Such unit is outsize (exceeds L 40 ft. or W 8 ft. or H 11 ft., 6 in.).

(4) Any of the material is hazardous as defined in Department of Transportation Hazardous Materials Regulations.

b. Bids, Proposals, and Quotations: When transportation costs are a factor likely to influence the award, the program office may refer the PR to SEA 04L12 for computation of estimated shipping costs prior to forwarding to NAVSEA 02. These estimates will then be used by the NAVSEA 02 contract negotiator during evaluation of bids and proposals.

c. Material Acquisition Meetings: When transportation support requirements will be a subject of discussion or planning in integrated logistics support or other type meetings, personal attendance of the NAVSEA Material Transportation Manager is recommended.

d. Tracing Shipments: NAVSEA consignees will initiate tracer action on overdue shipments by contacting the shipping activity, which will take follow-up action to locate the missing shipment and expedite its delivery. Personnel unsuccessful in tracing overdue shipments may contact SEA 04L12 for assistance. The following information is needed for tracing purposes:

(1) Date of shipment and the mode of shipment.

(2) Shipper and consignee (full name).



- (3) Origin and destination.
- (4) Commodity with National Stock Number (NSN), if available.
- (5) Originating carrier, including waybill or freight bill numbers, if available.
- (6) Bill of lading or document number.
- (7) Number of pieces, weight and cube.
- (8) Requisition, Transportation Control, and/or Invoice numbers.

#### **1.7.6 Transportation Requirements for Solicitations and Contracts**

This section establishes the requirements for, and provides guidance in, the selection of FAR and DFARS transportation clauses and related provisions to be included in NAVSEA solicitations and contracts for the acquisition of materials under the authority of FAR Part 47, DFARS 242.14, and DFARS Part 247.

a. Determining Free on Board (FOB) Delivery Provisions: The scope and extent of the total transportation requirement, and its related cost impact, are major considerations in the determination of FOB delivery terminology to be used in solicitations. Of equal importance are those peculiar features associated with both FOB origin and FOB destination procurements. FOB origin means the seller or consignor places the goods on the conveyance by which they are to be transported and, unless the contract stipulates otherwise, the cost of shipping and risk of loss are borne by the buyer or consignee. FOB destination means, unless the contract stipulates otherwise, the seller or consignor bears the cost of shipping and risk of loss.

(1) FOB origin offers the following particular advantages:

- (a) The solicitation may omit destinations, thus enabling timely procurement action to be taken to assure availability of materials when needed.
- (b) A change in the destination may be made after contract award without a price revision.
- (c) Use may be made of special routings, handling methods, and specialized DoD rail equipment required for heavy or bulky and odd-configured material.
- (d) The use, when necessary, of premium transportation (airlift) is facilitated and government control is retained during transportation. Such control is mandatory for classified materials and is essential for hazardous and dangerous shipments.

(2) FOB destination is required when the Government must accept material at destination and is normally invoked under the following circumstances:

(a) When the supplies are uniformly priced throughout the United States (national pricing), regardless of the point at which the Government accepts delivery.

(b) When established freight rates available to the public are lower than Section 22 schedules available to Government agencies.

(c) When, by reason of the small volume of the procurement, savings in transportation costs associated with the use of FOB origin would be offset by increases in administrative effort and lead-time.

(3) Contracting officers will determine the delivery provisions of the solicitation in light of advantages associated with the two methods enumerated above. It is important to note, however, that solicitations cannot be made on an FOB destination basis unless firm destinations are included.

b. FAR and DFARS Clause Requirements: The particular clauses required in a material procurement contract solicitation depend upon whether destinations (firm or tentative) are included, whether an evaluation of freight transportation costs is or will be required, and whether other special situation requirements exist. The contract negotiator is responsible for selection of appropriate transportation clauses to be included in solicitations and contracts. In doubtful cases, SEA 04L12 should be contacted for assistance.

c. Permits and Responsibilities: In FOB destination solicitations covering items that have transportation characteristics exceeding those allowed by highway officials, the following will be included:

"PERMITS AND RESPONSIBILITIES: The contractor will, without additional expense to the government, be responsible for obtaining any necessary licenses and for complying with any applicable Federal, State, and municipal laws, codes, and regulations in connection with the movement over the public highways of overweight and/or overdimensional materials."

#### **1.7.7 Procedures for Air Shipments**

a. Air Shipment Requests (ASRs): Air shipment is authorized in accordance with the issue priority designator, project code, and impact on the receiving activity if air transportation is disallowed (e.g. work stoppage). The determination of the mode of transportation is the responsibility of the shipping activity. Requesting activities will not specify the mode of transportation.

(1) All special assignment airlift mission requests must be signed by a Project Manager, or higher authority certifying that no other mode of transportation will permit accomplishment of the operational requirement. A special assignment airlift mission involves dedicated use of an aircraft.

(2) NAVSEA does not have unilateral authority to approve air shipments. This prerogative belongs to the Navy Single Manager for Transportation – NAVSUP or as delegated by them to NAVTRANS and the Air Clearance Authority. Air shipments exceeding 100 pounds are automatically challenged.

#### 1.7.8 Transportation Account Code (TAC)

a. Navy TACs: TAC codes are listed and defined in DoD Reg. 4500.32R, Volume II [Military Standard Transportation and Movement Procedure (MILSTAMP)]. They provide management information regarding costs initially financed and paid for by the Navy Working Capital Fund's Transportation Services Activity Group. TACs are used with the appropriation data to identify the funding source ultimately responsible for paying the transportation costs incurred. The Transportation Officer, or designated agent, is responsible for the correct assignment of TACs. NAVSEA personnel issuing shipping instructions, procurement requests, material requisitions, or otherwise generating material shipments are responsible for citing the correct TAC. The Navy TAC system is maintained and controlled by the Navy Transportation Support Center in Norfolk, VA. TACs, formerly published in the MILSTAMP manual are now published electronically by the Defense Automated Addressing System Center (DAASC) at [http://www.daas.dla.mil/tac\\_inq/tac\\_menu.html](http://www.daas.dla.mil/tac_inq/tac_menu.html). The NAVSEA TAC system point of contact is SEA 04L12.

b. Destination Charges: OPNAVINST 4600.24C defines First Destination Transportation (FDT) as that transportation and associated charges required to effect the delivery of material from a procurement source to the first point of use or storage for subsequent use within the supply system. Second Destination Transportation (SDT) is any transportation other than first destination. Second Destination charges are, therefore, intransit costs incurred incident to the shipment of material after FDT.

c. NAVSEA TACs: Shipments that originate at a procurement source and are identified and billed to the appropriation procuring the material are designated First Destination shipments. The appropriate TAC associated with the fund appropriation, is cited as follows for NAVSEA OMN, SCN, OPN and WPN appropriations:

<u>APPROPRIATION</u>	<u>SUBHEAD</u>	<u>ITEM</u>	<u>TAC</u>
OMN 17 (FY) 1804.8	ALL SUBHEADS	ALL	N853
SCN 17_1711	ALL SUBHEADS	ALL	N841
OPN 17_1810	A7CY	PHYSICAL SECURITY EQ	N84A

<u>APPROPRIATION</u>	<u>SUBHEAD</u>	<u>ITEM</u>	<u>TAC</u>
OPN 17_1810	P7YC	EDUCATIONAL SUPPORT EQ	N84B
OPN 17_1810	L7Z2	OPERATING SUPPORT EQ	N84C
OPN 17_1810	Y7YC	COMMAND SUPPORT EQ	N896
OPN 17_1810	34U9	STRATEGIC MISSILE SYS	N877
OPN 17_1810	38JC	VENDOR DIRECT SPARES	N84E
OPN 17_1810	J45A	SURFACE TOMAHAWK SPT	N863
OPN 17_1810	J25E	COMMON IMAGERY GRND SPT	N84F
OPN 17_1810	U3Q_	SONOBUOYS	N84G
OPN 17_1810	42PN	AUTOMATIC CARRIER LNDG	N881
OPN 17_1810	43SJ	ACFT LAUNCH AND RECOVERY	N84H
OPN 17_1810	43SY	AVIATION LIFE SUPPORT	N84J
OPN 17_1810	K5XL	AMPHIBIOUS EQ	N874
OPN 17_1810	K5XG	TACTICAL VEHICLES	N884
OPN 17_1810	K5HF	POLLUTION CNTRL EQ	N772
OPN 17_1810	Z2DG	NSIPS	N897
OPN 17_1810	81JW	OTHER NAVIGATION EQ	N834
OPN 17_1810	81HF	POLLUTION CNTRL EQ	N84K
OPN 17_1810	81HR	REACTOR COMPONENTS	N84L
OPN 17_1810	81HS	NUCLEAR ALTERATIONS	N84M
OPN 17_1810	82SA	SSN ACOUSTICS	N84N
OPN 17_1810	H1BB	SUBMARINE SUPPORT EQ	N84P
OPN 17_1810	A2UC	COOPERATIVE ENGAGEMENT	N84Q
OPN 17_1810	24UR	RAM MISSILES	N84R
OPN 17_1810	A4L7	AEGIS SUPPORT	N84S
OPN 17_1810	73SO	AIRBORNE MINE COUNTER MS	N84T
OPN 17_1810	88JC	OUTFITTING SPARES	N84U
OPN 17_1810	81P1	SUB PERISCOPES	N84V
OPN 17_1810	84U9	STRATEGIC PLATFORM SPT	N84W
OPN 17_1810	84RA	ITEMS LESS THAN \$5M	N84Y
OPN 17_1810	C2DB	AN/SQQ-89 ASW COMBAT	N84Z
OPN 17_1810	72LV	MINESWEEPING SYSTEM	N83A
OPN 17_1810	82MB	OTHER TRAINING EQP	N83B
OPN 17_1810	24UK	GUN FIRE CONTROL EQ	N83C
OPN 17_1810	A4UQ	SHIP SELF DEF SYS	N85V
OPN 17_1810	H4VB	SSN COMBAT CNTRL SYS	N83E
OPN 17_1810	A4VV	ANTISHIP MISSILE DECOY	N85E
OPN 17_1810	96W3	OTHER SUPPLY SPT EQ	N887
OPN 17_1810		ENVIRONMENTAL SPT EQ	N83G
OPN 17_1810		SPEC PURPOSE SUPPLY SY	N83H
OPN 17_1810	N7YG	INTELLIGENCE SPT EQ	N83J
OPN 17_1810	521U	SHIPBOARD IW EXPLOIT	N880
OPN 17_1810	52DN	NAVAL TACTICAL CMD SPT	N83K
OPN 17_1810	52PQ	SHIP COMMS AUTOMATION	N83L
OPN 17_1810	52NN	SATELLITE COMMS	N83M
OPN 17_1810	52D6	NAVAL SHORE COMMS	N83N
OPN 17_1810	52DA	INFO SYSTEMS SECURITY	N83P
OPN 17_1810	58JC	INITIAL SPARES	N83Q

<u>APPROPRIATION</u>	<u>SUBHEAD</u>	<u>ITEM</u>	<u>TAC</u>
OPN 17_1810		FIXED SURVEILLANCE SYS	N83R
OPN 17_1810	52T4	GCCS-M EQUIPMENT	N85K
OPN 17_1810	Q2DR	ATDLS	N83T
OPN 17_1810	52W4	SHORE LF/VLF COMMS	N83U
OPN 17_1810	53SP	METEOROLOGICAL EQ	N83V
WPN 17_1507	84E3	SMALL ARMS WEAPONS	N81A
WPN 17_1507	A4E6	MODS UNDER \$2M	N81B
WPN 17_1507	24DT	CIWS MODS	N81C
WPN 17_1507	83F4	ASW RANGE SUPPORT	N81E
WPN 17_1507	84E5	5/54 GUN MT MOD	N81F
WPN 17_1507	84E6	GUN MOUNT MODS	N81G
WPN 17_1507	12ES	ESSM	N81H
WPN 17_1507	16JC	SPARES/REPAIR PARTS	N81J
WPN 17_1507	84DU	MK75 76MM GUN MODS	N81K
WPN 17_1507	12FK	STD MISSILE MODS	N81M
WPN 17_1507	C3DI	MK 48 TORPEDO MODS	N81N
WPN 17_1507	A2FE	LND ATK STANDARD MISSILE	N81P
WPN 17_1507	73QS	QUICKSTRIKE MINE	N81Q
WPN 17_1507	22EF	RAM	N81R
WPN 17_1507	C3F8	TORPEDO SUPPORT EQ	N81T
WPN 17_1507	A2FD	OTHER MISSILE SPT	N81U
WPN 17_1507	C3DQ	VL ASROC	N81V
WPN 17_1507	82FU	WPNS INDUSTRIAL FAC	N81W
WPN 17_1507		ISLMM	N81Y
WPN 17_1507	C3TG	ASW TARGETS	N81Z
WPN 17_1507	82FU	MISSILE IND FAC	N825
WPN 17_1507	36JC	SPARES/REPAIR PARTS	N830
WPN 17_1507	J2EL	TOMAHAWK	N873
WPN 17_1507	Y2GB	AMRAAM	N87A
WPN 17_1507		PIONEER	N87B
WPN 17_1507	J2DJ	DRONES AND DECOYS	N87D
WPN 17_1507	Y2F6	HELLFIRE MISSILE	N87E
WPN 17_1507	J2EW	HARPOON MODS	N87H
WPN 17_1507	Y2JS	JSOW	N87J
WPN 17_1507	42FU	MISSILE IND FAC	N87M
WPN 17_1507	Y2EP	SIDEWINDER MODS	N87N
WPN 17_1507	J2GS	PENGUIN MISSILE	N87P
WPN 17_1507	J2SL	SLAM-ER	N87R
WPN 17_1507	46JC	SPARES/REPAIR PARTS	N87S
WPN 17_1507	J2EM	AERIAL TARGETS	N87T
WPN 17_1507		HARM MODS	N87U
WPN 17_1507		VTOL UAV	N87V
WPN 17_1507	42FU	WEAPONS INDUSTRIAL FAC	N87W
WPN 17_1507		ORD SUPP EQ	N88A
WPN 17_1507	J6JC	SPARES/REPAIR PARTS	N88B
WPN 17_1507	Q2EU	FLT SATELLITE COMMS	N88C

<u>APPROPRIATION</u>	<u>SUBHEAD</u>	<u>ITEM</u>	<u>TAC</u>
WPN 17_1507	C3F5	MK 46 TORPEDO MODS	N88F
WPN 17_1507		TALD	N88G
WPN 17_1507		CAD/PAD	N88H
WPN 17_1507		JDAM	N88J
WPN 17_1507	42EN	SPARROW MISSILE	N88K
WPN 17_1507		ASROC MISSILE	N88L
WPN 17_1507	C3DP	MK 50 TORPEDO MOD	N88M
WPN 17_1507		TOW MISSILE	N88N
WPN 17_1507	42EQ	PHOENIX MISSILE	N88P
WPN 17_1507		MAVERICK MISSILE	N88Q
WPN 17_1507		UNDERWATER MINES	N88U
WPN 17_1507		SIDEARM MISSILE	N88V
WPN 17_1507		STINGER MISSILE	N88Y
WPN 17_1507	31DL	TRIDENT II	N891

Second Destination shipments include shipments required to fill Navy requisitions; material redistributions and material being shipped to overhaul points for rework, repair or disposal action. These shipments are assigned TACs associated with the material cognizance or mission, as follows:

<u>COG</u>	<u>DESCRIPTION</u>	<u>TAC</u>
2F	Major Ship Electronics Equipment	N128
2J	Major Ordnance Equipment	N126
2S	Hull, Mechanical & Electrical Equipment	N127

The major TACs assigned to NAVSEA comprise the foregoing list. It does not include, however, unpublished or special project TACs. For assistance in determining TAC assignment, contact SEA 04L12, (703) 602-8018, EX 358.

d. Security Assistance Program: TAC assignments for Foreign Military Sales (FMS) and Grant Aid (GA) shipments are constructed as follows:

(1) FMS: The first position of the TAC is alpha (P = Navy, K = Marine Corps) and appears in column 30 of the DD 1348-1. Second, third, and fourth positions of the TAC reflect the case number appearing in columns 48-50 of DD 1348-1.

(2) GA: The first position of the TAC is alpha (P = Navy, K = Marine Corps) and appears in column 30 of DD 1348-1. The second and third positions of the TAC indicate the country code, reflected in columns 31 and 32 of the DD 1348-1. The fourth position of the TAC indicates the type of assistance as reflected in column 35.

## **1.8 MILITARY STANDARD REQUISITION AND ISSUE PROCEDURES (MILSTRIP)/MILITARY STANDARD TRANSACTION REPORTING AND ACCOUNTING PROCEDURES (MILSTRAP)**

### **1.8.1 General**

NAVSEA is both an inventory manager of material and a general requisitioner of various items of supply. As such, many MILSTRIP/MILSTRAP documents are generated or received by NAVSEA personnel. Procedures for central control and general awareness of numerical serial assignments within NAVSEA have been developed to ensure that no duplicate numbers are assigned to MILSTRIP/MILSTRAP documents and that MILSTRIP/MILSTRAP actions affecting NAVSEA are properly distributed to the appropriate action code.

As discussed in section 1.6.1, the IM of NAVSEA material is responsible for processing requisitions and directing associated material movements in a centralized distribution system. The IM must therefore be familiar with the standard formats and codes in the MILSTRIP and MILSTRAP systems. In each case coding, representing common DoD supply language, is transmitted via various 80 data column formats. For example, standard MILSTRIP documents include DD Forms 1348 (Requisition Document, Figure 5) and 1348-1 (Material Release and Receipt Document, Figure 6), both of which may be conveyed in hardcopy or mechanized medium. The following is a general description of the basic codes an IM needs to understand in order to initiate and process material requests and to maintain asset visibility. Data column definitions are drawn from general guidance in NAVSUP P-409 [MILSTRIP/MILSTRAP Desk Guide]. It must be recognized that coding elements and inputs change dependant on the nature and purpose of the document (i.e., the Document Identifier selected). Comprehensive descriptions are contained in NAVSUP Pub 485 (Volumes II and III), which should be used as the primary source document for MILSTRIP/MILSTRAP processing.

C				EDITING DATA			DOC. IDENT.	ROUTING IDENTIFIER		M & S	NATIONAL STOCK NUMBER								
				DOC. IDENT.	RI-TO	SUF					FSC	NIIN							
				1 2 3	4 5 6	44	1	2	3	4	5								
D				E			F												
DOCUMENT NUMBER				DEM AND	SUPPLEMENTARY		SIG NAL	REMARKS											
SER	REQUISITIONER	DATE	SERIAL		SERV.	ADDRESS													
9	10	11	12	13	14	15	16	L		M									
FUND	DISTRIBUTION	PROJECT	PRIORITY	REQ. DEL. DATE	STATUS DATA				P		Q								
17	18	19	20	21	DOC. IDENT.	SUF	EST AVAIL DATE	STATUS											
					1 2 3	44	62 63 64	65 66											
					G	H	I	J											
ADVISE	23						RI - TO												
22							67 68 69												
65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	K	T	U	

DD Form 1348

DoD SINGLE LINE ITEM REQUI

Figure 5



1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66
DOC IDEN		RI FM		M & S		STOCK NUMBER						UI		QUANTITY		DOCUMENT NUMBER						S		SUPPLEMENTARY		S		FND		DIST BTN		PRO JECT		PRI ORI TY		REQ DEL																													
						FSC		NIIN				ADD				S E R V		REQNER		DATE		SERIAL		F X		ADDRESS		G N L								DATE																													
SHIPPED FROM											SHIP TO											MARK FOR		PROJECT																																									
A											B											C		D																																									
WAREHOUSE LOCATION						TYPE OF CARGO		UNIT PACK		UNIT WEIGHT		UNIT CUBE		UFC		NMFC		FREIGHT RATE				DOCUMENT DATE		MATL COND		QUAN																																							
F						G		H		I		J		K		L		M		N		O		P		Q																																							
SUBSTITUTE DATA (ITEM ORIGINALLY REQUESTED)											FREIGHT CLASSIFICATION NOMENCLATURE																																																						
T											U															V																																							
W											X															Y																																							
S H I P P E R S	SELECTED BY AND DATE											TYPE OF CONTAINER(S)				TOTAL WEIGHT				R E C E I V E R S	RECEIVED BY AND DATE											INSPE																																	
	1											2				3					7											8																																	
	PACKED BY AND DATE											NO. OF CONTAINERS				TOTAL CUBE					WAREHOUSED BY AND DATE											WARE																																	
	4											5				6					9											10																																	
REMARKS																																																																	
AA											BB															CC															DD															EE									
FIRST DESTINATION ADDRESS											DATE SHIPPED															FF															GG																								
11											12															14 B/LADING, AWB, OR RECEIVER'S SIGNATURE (AND DATE)															15 RECEIVER'S DOCUMENT NUMBER																								
13 TRANSPORTATION CHARGEABLE TO																																																																	

DD FORM 1348-1

DOD SINGLE LINE ITEM REL

Figure 6

## 1.8.2 MILSTRIP Record Position Column Descriptions

a. Document Identifier (Data Columns 1-3) - Indicates purpose and use of the document.

(1) Column 1 - Identifies the document series.

(2) Column 2 - Denotes the document type (i.e., requisition, referral, redistribution order, requisition modifier/cancellation).

(3) Column 3 - Identifies domestic vs. overseas material movement; indicates the type of item identification number used in the document (i.e., NSN, manufacturer's part number, other number); and may signify if the requisition carries narrative remarks which cannot be conveyed via standard codes.

<u>Typical Document Identifiers</u>	<u>Overseas</u>	<u>Domestic</u>
When requisitioning a National Stock Number (NSN)	AO1	AOA
When requisitioning part number (Manufacturer's Code & part number up to 15 characters; no remarks)	AO2	AOB
When requisitioning a non NSN item which must be further described (Exception Data)	AO5	AOE

b. Routing Identifier (4-6 and 67-69) - Represents the address of the intended recipient of the document or the supply activity originating the action (4-6); in the case of IM generated documents, may be used to denote actual consignor of the material (67-69). Routing identifiers are unique to specific activities within the DoD supply distribution system.

c. Media and Status Code (7) - Indicates the recipient(s) of requisition status and the means of transmission. Types of status that can be requested via unique alpha or numeric codes found in the P-409 include:

(1) Supply Status. Provides information on actions taken with the requisition.

(2) Shipment Status. Provides specific information at time of shipment (i.e., method, shipping date, Transportation Control Number, government Bill of Lading Number). Five options are available to a requisitioner when requesting shipment status:

(a) None. No supply or shipment requested.

(b) Exception Supply Status. Requests advice from supply source only when a material change in the anticipated shipment (i.e., quantity, date, source), will take place. No shipment status requested.

(c) 100% Supply Status. Requests advice from the supply source on the action taken on every requisition submitted. No shipment status requested.

(d) Exception Supply Status; 100% Shipment Status. Requests supply status by exception, as in (b) above, plus shipment status for every requisition at time of shipment.

(e) 100% Supply Status; 100% Shipment Status. Requests both supply and shipment status on every requisition.

d. Stock Number (8-22) - When a 13-digit NSN is applicable, the Federal Supply Class will be entered in columns 8-11 and the National Item Identification Number (NIIN) will be entered in columns 12-20. When a SMIC is assigned, it will be entered in columns 21-22. For nonstocked items, the Commercial and Government Entity (CAGE) Code will be entered in columns 8-12 and the manufacturer's part number, if ten (10) digits or less, in columns 13-22. If the part number exceeds 10 digits, utilize a DD Form 1348-6.

e. Unit of Issue (23-24) - Abbreviation of the types of units in which material is issued.

f. Quantity (25-29) - Numerical designation of units required for the requested item. Zeros precede significant digits in this field.

g. Document Number (30-43) - Fourteen digit unique identification number assigned to the requisition, which is used throughout the processing cycle in any ensuing communication between supply source and requisitioner. It consists of four basic elements;

(1) Service Code (30) - Single character identifying a service or element of a service. Navy service codes include R and V to designate Fleet operating units of Commanders in Chief Pacific and Atlantic, respectively. Other activities utilize a N.

(2) Requisitioner (31-35) - Unit Identification Code of originating activity.

(3) Julian Date (36-39) - Code representing the date the requisition is transmitted to the initial supply source; or, for pre-assigned MILSTRIP documents as described herein, the date the IM of NAVSEA material assigns and transmits the Document Number. The first digit represents last digit of the calendar year (i.e. 9 for 1999); the last 3 digits represent day of the year (julian day) (i.e., Jan 1 is 001; Dec 31 is 365).

(4) Serial Number (40-43) - 4 digit number assigned sequentially by originator and never duplicated on the same day. For documents originated by NAVSEA personnel, a central control system is established to define serial number blocks to be used by NAVSEA Headquarters activities. Serial number block assignments and points of contact are defined below in Figure 7.

h. Demand/Suffix Code (Dual Use) (44)

(1) Demand Code, entered by originator, describes type of demand the request represents (i.e., "R" for recurring, "N" for non-recurring).

(2) Suffix Code, entered by processing activity, is used to identify separate partial supply actions taken on the original requisition (i.e., referrals to multiple stock points) without losing identity of the original document number.

i. Supplementary Address (45-50) - May be used to identify another activity (besides the originator) designated to receive the material, billing and/or shipment status (must be used in conjunction with corresponding Signal and Media and Status Codes). If not required for this purpose, the letter "Y" may be entered in column 45 to indicate the data in columns 46-50 is not significant to the system but must be perpetuated in document processing.

j. Signal Code (51) - Indicates who the material is to be shipped to (requisitioner or supplementary addressee), and billed to (requisitioner, supplementary addressee, no billing, other).

k. Fund Code (52-53) - Indicates the funds available to satisfy any charges for material. The fund code will be translated to an appropriation or fund account and charged or credited based upon the assigned code of the billed office.

l. Distribution Field (54-56)

(1) Column 54 - May designate a specific monitoring activity (in addition to requisitioner and supplementary addressee) to receive supply and shipment status.

(2) Columns 55-56 - Contain the item's cognizance symbol.

**MILSTRIP/MILSTRAP Document  
Serial Number Block Assignments**

<b>SERIAL NUMBERS</b>	<b>CODE</b>	<b>PHONE EXT</b>	<b>POINT OF CONTACT</b>	<b>Fax</b>
0001-0099	SEA 00C23	703-602-8206 X246	K. HOPSON	703-607- 2757
0100-0299	SEA 029P	703-602-2660	L. FOX	703-602- 2204
0300-0305	SEA 04L122	703-602-8018 X358	S. RAMIREZ	703-602- 6437
0306-0389	SEA 04L12	760-577-6940	E. FREY/B. WHITE	760-577- 6942
0390-0499	SEA 04L12	757-887-7113	R. HOLLOWELL/ B. WHITE	757-887- 7211
0500-0600	UNASSIGNED			
0601-0619	SEA 53	703-602-1183 X507	I. CAUTILLI	
0620-0694	PMS 377L	703-602-7812	J. GALLOWAY	
0695-0799	PMS 425			
0800-0860	UNASSIGNED			
0861-0909	SEA 04LR2	703-602-2753	L. PENDLETON	
0910-0949	UNASSIGNED			
0950-0959	SEA 92P	703-602-3400 X548	K. CARPENTER	703-602- 2163
0960-0985	PMS 393L	703-602-3521	D. GOOLSBY	
1000-1199	WPNSTA EARLE	DSN 449-2831	E.ZEUTENHURST	908-866- 2915
1200-1499	PMS 325P3	703-602-8415 X652	B. SHEPHERD	703-602- 8400

Figure 7 (Page 1 of 3)

<b>SERIAL NUMBERS</b>	<b>CODE</b>	<b>PHONE EXT</b>	<b>POINT OF CONTACT</b>	<b>Fax</b>
1500-1899	UNASSIGNED			
1900-1999	SEA 04L12	703-602-8018 X358	S. RAMIREZ	703-602- 6437
2000-2099	NICP 8423G	717-605-2102	B. SAULSBURY	
2100-2299	UNASSIGNED			
2300-2399	NAVICP 05824.06	717-605-3854	P. LOMBARD	
3000-3299	SEA 04L3	703-602-8700	M. McNEAL	703-602- 2818
3300-3700	PMS 395	703-602-6565	C. GARIEPY	
3800-5349	UNASSIGNED			
5350-5375	PMS 422	703-602-0651	T. OLIVER	
5376-5399	UNASSIGNED			
5400-5499	PMS 400G	703-602-7399	W. BUDD	
5500-8999	UNASSIGNED			
A400-A499	UNASSIGNED			
F100-F200	UNASSIGNED			
V050-V099	UNASSIGNED			
V200-V399	PMS 380	703-602-5561 X475	T. NEUBERT	
V400-V549	UNASSIGNED			
V550-V650	SEA 04L12	760-577-6940	E. FREY/ B.WHITE	760-577- 6942
V651-V689	UNASSIGNED			
V690V699	SEA 04L12	757-887-7113	R. HOLLOWELL/ B. WHITE	757-887- 7211
V700-V899	UNASSIGNED			
X001-X099	PMS 380L	703-602-0568 X410	T. NEUBERT	703-602- 7951

Figure 7 (Page 2 of 3)

SERIAL NUMBERS	CODE	PHONE EXT	POINT OF CONTACT	Fax
X100-X399	UNASSIGNED			
X400-X499	NAVICP 05824	717-605-3555	J. GORDON	
X500-X599	NAVICP 05824.10	717-605-5872	D. LIPPERT	
X600-X899	UNASSIGNED			
X900-X999	SEA 08H	703-602-3480	F. JESSUP	
Y850-Y859	UNASSIGNED			
Z100-Z199	SEA 08H	703-602-3480	F. JESSUP	
Z200-Z250	UNASSIGNED			
XX50-XX99	SEA04L12	760- 577-6940	E. FREY (SHIPALT ONLY)	760-577-6942
VV50-VV99	SEA04L12	757-887-7113	R. HOLLOWELL (SHIPALT ONLY)	757-887-7211



Figure 7 (Page 3 of 3)

m. Project Code (57-59) - Describes the purpose or intended end use (i.e., specific program or project) for the requested material. Codes are perpetuated in all related documentation and appear as part of the shipping container markings.

n. Priority Designator (60-61) - Priority Designators are determined by combining the requisitioners' Force Activity Designator (F/AD) with the appropriate Urgency of Need Designator (see OPNAVINST 4614.1F [Uniform Material Movement and Issue Priority System (UMMIPS)] for detailed discussion of these elements; also, see section 5.6 of this guide). For IM generated requisitions, NAVSEA Headquarters and shore activities are assigned the F/ADs listed below in para. 1.8.3. However, IMs involved in special programs or projects may use the F/AD assigned to these programs where appropriate. The following table illustrates the F/AD to Urgency of Need Designator relationship.

URGENCY OF NEED DESIGNATORS			
Force/Activity Designators	Unable to Perform Mission A	Impaired Operational Capability B	Routine C
I In Combat	1	4	11
II Positioned for Combat	2	5	12
III Positioned to Deploy/Combat	3	6	13
IV Other Activity & Selected Reserve Forces	7	9	14
V All Other	8	10	15

Based on requisition priority, processing time standards have been established to specify maximum time allowed from date of requisition to receipt of material:

<u>PRIORITY</u>	<u>CONUS</u>	<u>OVERSEAS</u>
01-03	7 days	11-12 days
04-08	11 days	15-16 days
09-15	29 days	67-82 days

These standards are further broken down to specify individual allowable times for each of the major processing steps. Specified time frames are added to receipt date to compute a Standard Delivery Date for each request.

o. Required Delivery Date (62-64) – A Required Delivery Date earlier or later than the Standard Delivery Date may be assigned per OPNAVINST 4614.1F. An earlier date may be entered if needed to meet scheduled departure of a vessel (i.e. the entry in Columns 62-64 would be the 3-digit julian date of the vessel's departure). If an extended delivery date beyond the allowable time is desired, an X may be entered in Column 62, and the number of additional months beyond the month of the requisition date in Columns 63 & 64. This does not preclude the supply source from shipping earlier than the month shown by the entry in Columns 63 & 64. However, if the requisitioner's circumstances are such that delivery could not be accepted earlier than 50 days prior to the indicated month's end, an S instead of an X is entered in Column 62.

p. Advice/Status Code (Dual Use) (65-66)

(1) Advice codes may be entered by the requisitioner to provide instructions to IMs and supply sources when such data is considered essential to supply action (i.e., 2B - Do not substitute; 5G - Exchange is intended). Appropriate advice codes must be used for mandatory turn-in repairables.

(2) Status codes may be inserted by requisition processors to provide recipient(s) of status with information regarding action taken. (i.e., BA - Item being processed for release; BB - Backordered; CA - Rejected)

q. Routing Identifier - To (67-69) - Denotes actual consignor of the requested material.

### **1.8.3 Force/Activity Designators (F/ADs) Assigned to Components of NAVSEA as Designated by the Major Claimant**

The following activities are assigned F/AD IV:

- a. Sea Sparrow Project Office
- b. Naval Sea Systems Command
- c. Naval Undersea Warfare Centers
- d. Naval Shipyards
- e. Supervisors of Shipbuilding, Conversion and Repair, USN
- f. Naval Weapons Stations

The following activities are assigned F/AD V:

- a. Naval Surface Warfare Centers
- b. Naval Explosives Ordnance Disposal Facility
- c. Navy Experimental Diving Unit
- d. Naval Technical Representative, Laurel MD
- e. Inactive Ship Maintenance Facilities

#### 1.8.4 **Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP) Summary**

MILSTRAP provides uniform codes and formats to transmit receipt, issue and adjustment data between IMs and stock points. MILSTRAP perpetuates the majority of MILSTRIP record data column locations and data elements, with specific coding changes established to reflect unique MILSTRAP document identifiers. IMs of NAVSEA material must be familiar with the following MILSTRAP elements.

a. "D" Series Document Identifiers (1-3) - "D" Series document identifiers represent material transaction reports from stocking activities. Depending on the document identifier selected, these reports may provide specific data on issues, receipts, changes in purpose/condition codes, and other physical or financial material accounting information. Composition is as follows:

(1) Column 1 - "D" denotes inventory accounting transaction.

(2) Column 2 - When numeric, affects on-hand balance (even number - receipt or debit, odd number - issue or credit); when alpha, does not affect on-hand balance.

(3) Column 3 - Variable. Furnishes specific information.

b. Purpose Code (70) - Provides the IM or stock point with a means of identifying the purpose or reason for reserving the inventory balance (i.e., general issue, mobilization or other specific reservations).

c. Supply Condition Code (71) - Allows the IM or stock point to classify material as to readiness for issue and use or to identify action being taken to change status of the material (i.e., Serviceable, Unserviceable or Suspended, with appropriate clarifying data).

d. Management Code (72) - Used to provide supplemental data not indicated through the transaction coding structure.

e. Variable Data (73-80) - May be used to provide amplifying data regarding specific material transactions as identified by selected "D" series document identifiers.

### 1.8.5 Responsibilities

a. The Material Support Programs Branch (SEA 04L12) will control the block assignment of serial numbers for MILSTRIP/MILSTRAP documents, will maintain and update the serial number block assignments in Figure 7 and will provide individual number assignments.

b. Each Directorate or other echelon identified will designate a control point to control and sub-assign the serial blocks set forth in Figure 7 and will report such designations, by memo, to SEA 04L12 and affected Directorate codes. SEA 04L12 will assign additional blocks of numbers on request.

c. Ship Acquisition and Logistic Managers and other PMS codes will receive serial number assignments from the Directorate providing administrative support. Refer to Directorate contact points in Figure 7.

d. Originators will:

(1) Prepare MILSTRIP/MILSTRAP documents in accordance with NAVSUP Pub 409 using the serial numbers as assigned in Figure 7.

(2) Obtain serial number(s) for each document originated from the contact point listed in Figure 7.

(3) Comply with the funding requirements of NAVSUP P-485 Volumes II and III, as appropriate, for MILSTRIP documents.

(4) For items to be delivered to NAVSEA, include the originator's organizational code in the Supplementary Address field (i.e. data column 45-50) of the MILSTRIP document. Forward a copy to SEA 09A3 (Property and Inventory Support Services Division).

(5) Forward all MILSTRIP documents issued from NAVSEA Headquarters through the cognizant NAVSEA 01 budget division for an official fund availability check. This includes "no charge" or "APA" documents. All MILSTRIP documents must be obligated by the cognizant NAVSEA 01 budget division - SEA 012 (SCN and SEALIFT), SEA 013 (OPN, WPN and RDT&EN), SEA 014 (O&MN/R), SEA 015 (NWCF), SEA 016 (FMS), and SEA 914F (FMP). NAVSEAINST 7000.9 [Financial Management Manual for Command Headquarters] specifies that all funding documents (including MILSTRIP documents) are to be routed to the cognizant NAVSEA appropriation division agents for issuance and processing into the official accounting records.

f. SEA 09A3 will use the copy provided and the Figure 7 index to determine where material should be sent within NAVSEA.

## 1.9 SEA 04L1 PROGRAM REVIEWS FOR 2 COG MATERIAL

### 1.9.1 General

SEA 04L1, as the point of contact responsible for oversight of a range of IM functions, annually convenes sessions with key 2 COG personnel to discuss and resolve current issues. Typically these meetings, termed "Program Reviews", are conducted on a major system or program basis and are convened at the CSP, other location that is the principal stock point of the material in question, or at the offices of SEA 04L1. Attendees may include personnel from the Program Office, personnel from the ISEA, the local MATREP, the IM, and personnel from NAVICP. SEA 04L1 will chair the meeting. In addition to these program specific meetings, SEA 04L1 will also periodically call and chair an overall 2 COG End Item Program Review to discuss and resolve issues of a more general nature with a cross-section of IMs and other interested personnel. These meetings will normally take place at NAVICP or at NAVSEA.

### 1.9.2 Schedule

At the start of each fiscal year a tentative schedule will be prepared outlining, in general terms, the proposed program specific sequence of meetings. As each Program Review approaches, an agenda will be prepared by SEA 04L1 with input from all parties. The following is a typical Program Review Annual Schedule:

<u>Program</u>	<u>Location</u>	<u>Date</u>
Periscopes	NUWC Newport	May 01
Transducers	Barstow	Mar 01
Props/Shafts	Cheatham Annex	Dec 00
Ordnance	NSWC Crane	Apr 01
Radars	NSWC Crane	Apr 01
NTDS	NSWC Crane	Apr 01
Navigation	NSWC Crane	Mar 01
Towed Array	NAVSEA	Sep 00